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EDISON ELECTRIC INSTITUTE

QUINLAN J. SHEA, III Executive Director, Environment

June 22, 2005

The Honorable Karen A. Harbert
Assistant Secretary for Policy
and International Affairs
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

E-mail: <u>1605bguidelines.comments@hq.doe.gov</u>.

Re: 10 C.F.R. Part 300 Draft Technical Guidelines and Revised General Guidelines for Voluntary Greenhouse Gas Reporting; Interim Final Rules 70 Fed. Reg. 15164 and 15169. (March 24, 2005).

Dear Assistant Secretary Harbert:

The Edison Electric Institute (EEI) welcomes the opportunity to submit the enclosed comments on the Department of Energy's (DOE) revision pursuant to section 1605(b) of the Energy Policy Act of 1992 (EPAct) 42 U.S.C. §13385(b) of the 2003 version of the General Guidelines, which are now designated as "Interim Final Rules", establishing the "procedures" for Voluntary Greenhouse Gas Reporting and on the "Draft Technical Guidelines", which have been approved by the Office of the Federal Register to be incorporated by reference. We also appreciate the DOE's agreement to extend the comment period to June 22, 2005 in response to the requests by EEI and others.

EEI is the association of U.S. shareholder-owned electric companies, international affiliates and industry associations worldwide. Our U.S. members serve 90 percent of all customers served by the investor-owned segment of the industry. They generate more than 70 percent of all of the electricity generated by the electric utilities in the United States and serve nearly 70 percent of all ultimate customers of the electricity in the nation. EEI is also one of six electric power trade associations in the United States that, acting through their member companies, and along with the Tennessee Valley Authority (TVA) are collectively referred to as the "Power PartnersSM." On December 13, 2004, Power PartnersSM entered into the umbrella Climate VISION Memorandum of Understanding (MOU) with DOE in support of the President's efforts to reduce

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greenhouse gas (GHG) emissions intensity of the U.S. economy by 18 percent by the end of 2012.

EEI and the other Power Partners' members, individually and collectively, have been significant voluntary reporters of GHG reductions to the Energy Information Administration's (EIA) data base maintained under the current 1605(b) General Guidelines. For example, in 2003, as a result of aggressive reduction, avoidance and sequestration projects and other direct activities, EEI member companies and the entire power sector reported more than 260 million metric tons (MMT) of GHGs out of a total reported reductions of 417 MMT, or 63 percent of all reported reductions under section 1605(b).

Our member companies want to continue and improve upon that record in future years. Indeed, EEI notes that the MOU with DOE encourages the "use" by such companies of the revised 1605(b) voluntary reporting program for reporting and registering GHG emissions intensity reductions. Key to that use for EEI and its member companies will be the extent to which our enclosed comments and recommendations, which are largely substantive in nature but also include process oriented or technical changes, are ultimately reflected in the final version of the General Guidelines and the Technical Guidelines and in the new EIA forms that have not yet been made available by EIA for public review.

In this regard, we commend the Secretary and DOE for their efforts in improving the General Guidelines in a number of very important ways from the 2003 proposal and for developing the draft Technical Guidelines referenced in that proposal. As you will see, EEI accepts without comment many of the provisions of both guidelines. We also appreciate the opportunity DOE provided in holding public workshops that enabled stakeholders and the general public to engage in a dialogue with DOE and representatives of the Agriculture Department, the Environmental Protection Agency (EPA), and others in the Administration. That opportunity, together with the opportunity for informal sector meetings with DOE that we understand are referenced in the DOE docket, were helpful to us in understanding the guidelines and in preparing these comments.

Relative to the next steps, we understand that the Office of Management and Budget has approved under the Paperwork Reduction Act of 1995 a two-year extension of the existing EIA reporting forms for the current guidelines. We understand further from EIA representatives that EIA hopes to make available drafts of the new forms for a 60-day public comment period later this month or in July. While we welcome that opportunity, we are somewhat concerned that the proposed forms may only reflect the guidelines as published for public comment last March and not the extensive comments and recommendations for changes and additions by EEI and other commentators to the DOE docket as of June 22,

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2005. If that is the case, we think it will be unfortunate and likely slow the process to finalization. We note, too, that DOE said in the preamble to the March 24, 2005 notice of publication of the revised General Guidelines and draft Technical Guidelines that DOE "has allowed 180 days after" such March publication date "to consider and respond to all comments received," while noting that if the "180-day period proves to be insufficient for considering public comments and finalizing" both sets of the guidelines "DOE will further delay the effect date" of the guidelines. We would urge that, in light of the time it has taken for DOE to reach this juncture, DOE not rush to finalization because of the desire to meet a September 20, 2005 self-imposed deadline.

Again, we thank DOE and its able officials and staff and those of the EIA and the other participating agencies for their efforts, and appreciate the opportunity to submit the attached comments on these very important voluntary guideline procedures. If you have any question about EEI's submission, please contact me (202-508-5027) or William Fang (202-508-5617; bfang@eei.org) or Eric Holdsworth (202-508-5103; eholdsworth@eei.org).

Sincerely yours,

Quinlan J. Shea, III

Enclosures

cc: (w/enclosures):

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